

Education and Workforce Development Cabinet

Kentucky's jobless rate drops to 9.5 percent in July 2011

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Editor's Note: Preliminary July and revised June labor market information are included in this release.

FRANKFORT, Ky. — Kentucky's seasonally adjusted preliminary unemployment rate continued to fall going from 9.6 percent in June 2011 to 9.5 percent in July 2011, according to the Office of Employment and Training (OET), an agency of the Kentucky Education and Workforce Development Cabinet.

The preliminary July 2011 jobless rate dropped .7 percentage point below the 10.2 percent rate recorded in July 2010 for the state. The state's July 2011 rate is the lowest since the January 2009 rate of 9.2 percent.

"Kentucky's economy continued to show signs of improvement in July 2011 as the unemployment rate dropped to 9.5 percent and nonfarm employment reached its highest level since December 2008. However, a decline in the civilian labor force compounded the decrease in the unemployment rate. Individuals who have faced long-term unemployment are becoming discouraged and dropping out of the labor force," said Dr. Justine Detzel, OET chief labor market analyst.

The U.S. seasonally adjusted jobless rate decreased from 9.2 percent in June 2011 to 9.1 percent in July 2011, according to the U.S. Department of Labor.

Unemployment statistics are based on estimates and are compiled to measure trends rather than actually to count people working.

Five of the 11 major nonfarm North American Industry Classification System (NAICS) job sectors reported an employment increase in July 2011, while five decreased and one stayed the same, according to OET. An increase of 6,200 jobs in July 2011 brought Kentucky's nonfarm employment to a seasonally adjusted total of 1,798,300. Kentucky's nonfarm employment has grown by 27,900 workers since July 2010.

According to the seasonally adjusted employment data, Kentucky's professional and business services sector surged by 4,800 positions in July 2011. This area includes professional, scientific and technical services; management of companies; and administrative support and waste management, including temporary help agencies. Since last July, jobs in the sector have mushroomed by 10,600.

"The job gains in July 2011 are clustered at administrative and support enterprises, which is indicative of expansions at a call center and a technical support center and the openings of several data centers and a call center," said Detzel.

The manufacturing sector surged in July 2011 adding 2,800 jobs since June 2011. Since July 2010, employment in the manufacturing sector has climbed by 6,800 positions.

"The number of industrial workers has increased eight times in the past 12 months. Job gains are attributed to the durable goods subsector, which reflects expansions at automobile parts plants, a construction crane producer and an appliance manufacturer," said Detzel.

The state's leisure and hospitality sector climbed by 1,200 jobs in July 2011. Since July 2010, the sector has ballooned by 14,900 positions. The leisure and hospitality sector includes arts, entertainment and recreation, accommodations and food services, and drinking places industries.

"The year-over-year expansion occurred primarily at accommodation and food services businesses. As the economy recovers, consumers are loosening their purse strings and opening

their wallets to splurge more on restaurants and travel,” said Detzel.

The educational and health services sector gained 600 workers in July 2011. The sector has advanced by 4,900 workers since July 2010. This sector includes private and nonprofit establishments that provide either education and training or health care and social assistance to their clients.

Employment in the mining and logging sector increased by 100 in July 2011. The sector has gained 500 jobs since July 2010.

The information sector maintained the same number of workers in July 2011 as June 2011. This segment, which includes firms involved in publishing, Internet activities, data processing, broadcasting and news syndication, has increased by 100 positions since July 2010.

Kentucky’s construction sector jobs plummeted by 1,300 in July 2011. Since July 2010, employment in the construction sector has dropped by 3,300 jobs.

“The decrease in construction jobs since last July reflects debility in heavy and civil engineering construction and weakness in the residential construction industry,” said Detzel.

The trade, transportation and utilities sector tumbled by 1,000 jobs in July 2011. This area includes retail and wholesale trade, transportation and warehousing businesses, and utilities. It is the largest sector in Kentucky with 359,600 employees. Since July 2010, the number of jobs in this sector has decreased by 200.

“Employment decreases in the trade, transportation and utilities sector in July 2011 occurred predominantly at wholesale trade companies. In spite of the overall contraction in this sector, retail trade businesses increased by 800 positions in July 2011,” said Detzel.

Employment in the other services sector, which includes such establishments as repair and maintenance businesses; personal and laundry services; religious organizations; and civic and professional

organizations, dropped by 400 positions in July 2011. This sector had 200 fewer positions in July 2011 than July 2010.

The financial activities sector lost 400 jobs in July 2011. This segment, which includes businesses involved in finance, insurance, real estate and property leasing or rental, has 2,000 fewer positions than in July 2010.

The government sector, which includes public education, public administration agencies and state-owned hospitals, dropped 200 jobs in July 2011. The sector has 4,200 fewer jobs than in July 2010.

The U.S. Bureau of Labor Statistics' monthly estimate of the number of employed Kentuckians for July 2011 was 1,903,255 on a seasonally adjusted basis. This figure is down 9,042 from the 1,912,297 employed in June 2011, but up 38,224 from the 1,865,031 employed in July 2010.

The monthly estimate of the number of unemployed Kentuckians for July 2011 was 200,331, down 2,524 from the 202,855 Kentuckians unemployed in June 2011, and down 11,641 from the 211,972 unemployed in July 2010.

The monthly estimate of the number of Kentuckians in the civilian labor force for July 2011 was 2,103,586. This figure is down 11,566 from the 2,115,152 recorded in June 2011, but up 26,583 from the 2,077,003 recorded in July 2010.

Civilian labor force statistics include nonmilitary workers and unemployed Kentuckians who are actively seeking work. They do not include unemployed Kentuckians who have not looked for employment within the past four weeks.

Kentucky's statewide unemployment rate and employment levels are seasonally adjusted. Employment statistics undergo sharp fluctuations due to seasonal events, such as weather changes, harvests, holidays and school openings and closings. Seasonal adjustments eliminate these influences and make it easier to observe statistical trends. However, because of the small sample size, county unemployment rates are not seasonally adjusted.

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